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BRITISH EMBASSY
BUENOS AIRES

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31 December 1981

cc Research Dept
Capt Tod
CTS, DOT
KC 5/1

Mr. Fern

RHSmith

Mr S...
should see
also

C C Bright Esq
SAmD
FCO

Dear Colin, c.r.

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PRESIDENT GALTIERI'S INAUGURAL SPEECH TO THE NATION

1. Lt General Galtieri addressed the nation on television and radio on 23 December in his inaugural speech as the new President of Argentina. The tone of the speech was one of firmness and austerity.

2. Galtieri admitted that the Military Process, begun in 1976, had been recently overcome with inertia (a clear allusion to ex-President Viola's term) and said that the time for words had gone; now was the time for firmness and action. He claimed that he and his ministerial team had arrived with clean hands and no vested interests. They would impose a policy of economic and financial austerity, including strict control of Government spending, and the denationalisation of State industry. The President announced that a denationalisation plan would be elaborated within 4 months; and within 2 months plans would be made known for the dismantling of unnecessary official organisations. He promised that the slow move towards political normalisation would be continued. And in its foreign policy, Argentina would unequivocally remain in the Western camp where her roots lay.

3. The speech was given a mixed reception, with the economic "liberal" supporters of the Government full of praise, while most of the political parties warned of the economic and social consequences of the Government's likely economic policies. Nevertheless, in measures announced before and after Christmas (please see Mike Jackson's tele-letter ECO/090/3 of 29 December 1981) and in the announcement today of an indefinite freeze on the salaries of public servants, the Economy Minister, Roberto Alemann, has shown the Government is earnest.

Yours

K J A Mackenzie

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cc: R A E Gordon Esq
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